

CITY OF HOLLISTER

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Public Works: Engineering Section

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DATE: February 28, 2007

TO: Responsible Agencies, Trustee Agencies, and Interested Persons

FROM: The City of Hollister, Engineering Department

SUBJECT: Notice of Preparation of a Draft Environmental Impact Report for the City

of Hollister Sprayfield Project and the San Benito County Regional

Recycled Water Project.

PUBLIC REVIEW PERIOD: February 28 – April 2, 2007

The City of Hollister (City) is the lead agency for the preparation of an Environmental Impact Report (EIR) for the City of Hollister Sprayfield Project and the San Benito County Regional Recycled Water Project in compliance with the California Environmental Quality Act (CEQA). See California Code of Regulations, Title 14, Div. 6, Ch. 3 (CEQA Guidelines). The San Benito County Water District (SBCWD) and San Benito County have agreed to serve as responsible agencies (CEQA Guidelines Section 15381).

CEQA Guideline 15082 states that once a decision is made to prepare an EIR, the lead agency must prepare a Notice of Preparation (NOP) to inform all responsible and trustee agencies that an EIR will be prepared. The purpose of the NOP is to describe the proposed project and potential environmental effects in order to allow agencies and interested parties to provide input on the scope and content of the EIR. Comments on this NOP are due to the City of Hollister by 5:00 p.m. on March 26, 2007.

PROJECT SUMMARY

The proposed project consists of recycling treated wastewater from the City of Hollister Domestic Wastewater Treatment Plant (DWTP) and other potential sources. In the first phase (Phase I), approximately 200-350 acres of sprayfields would be developed. Five potential sites have been identified: Hollister Municipal Airport, Pacific Sod Farm, San Juan Oaks Golf Club, Brook Hollow Ranch, and the Brigantino Site. The locations of these sites are described in the following sections. The City will consider additional sites that are suggested during the NOP comment period. While the recycled water would meet all public safety and health requirements,

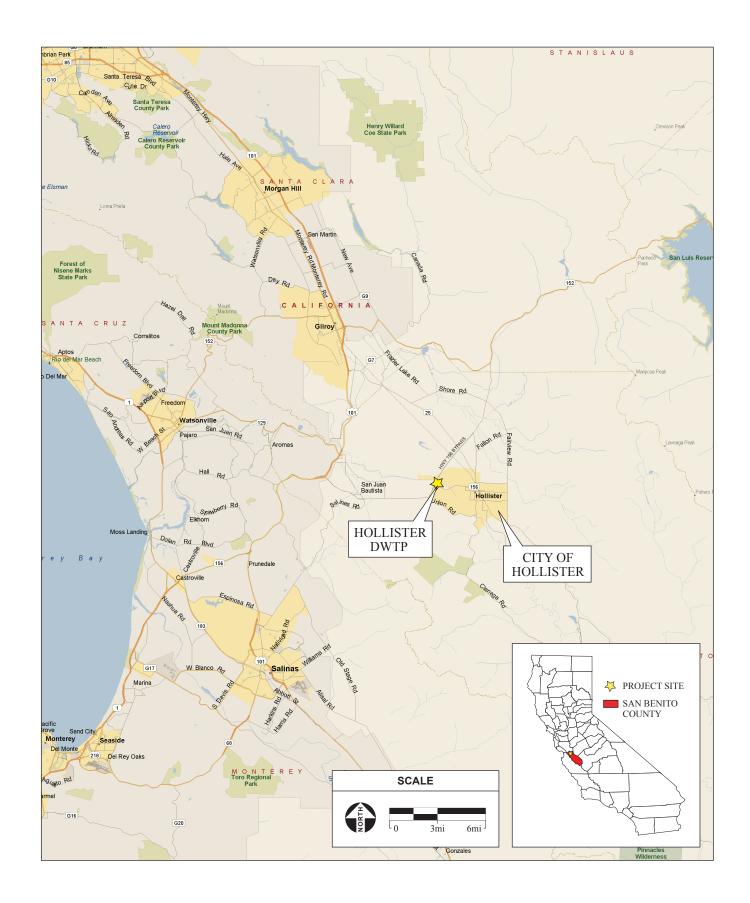
due to initial salinity levels of approximately 1,200 mg/L total dissolved solids (TDS), recycled water would only be suitable for irrigation of crops that can tolerate elevated salt levels. The City has committed to reduce DWTP effluent TDS levels to a target level of 500 mg/L and a not to exceed level of 700 mg/L by 2015. When this objective is met, the recycled water would be suitable for the irrigation of high value crops. The City has entered into a memorandum of understanding (MOU) with San Benito County and SBCWD which states that wastewater treatment plant(s) shall include provisions for demineralization to meet this objective. The MOU states that blending with Central Valley Project water to meet water quality objectives is only an interim measure. Once the water quality objects are met, Phase II would be implemented. In Phase II, recycled water would be distributed to the San Juan Valley for agricultural irrigation, and some or all of the sprayfield projects would be discontinued.

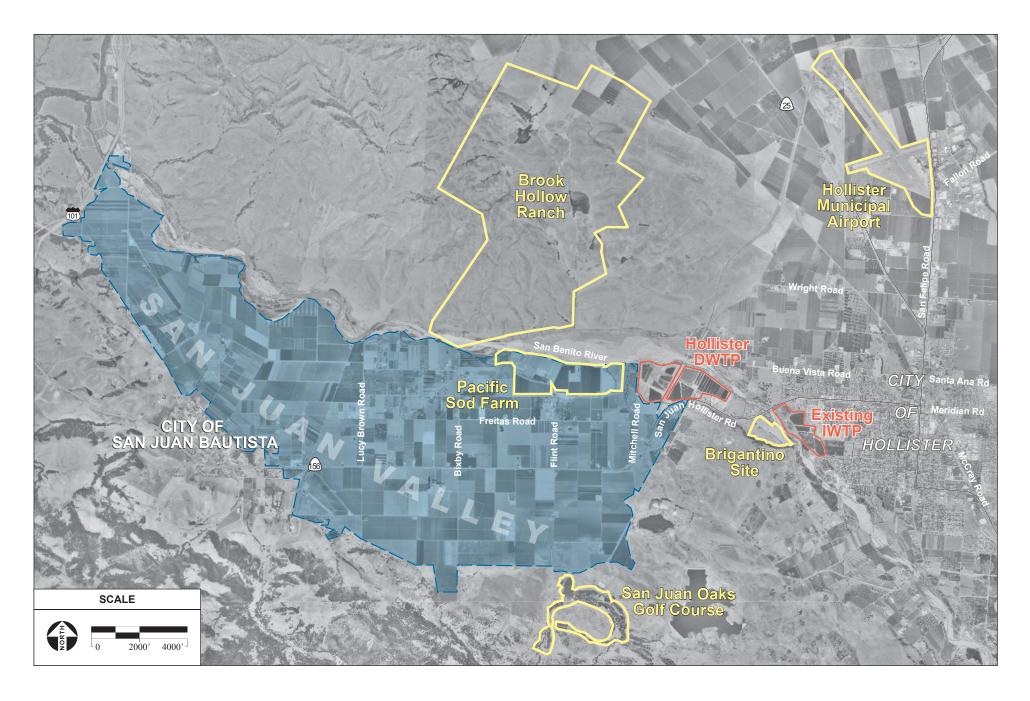
PROJECT LOCATION

The proposed sprayfields would be developed in proximity to the DWTP, which is located in the western portion of the City of Hollister (**Figure 1**). **Figure 2** shows the location of the DWTP and five potential sprayfield locations that have been identified. The Hollister Municipal Airport is located north of Hollister on San Felipe Road approximately three miles from the DWTP. Brook Hollow Ranch is located west of State Route 156 approximately one mile northwest of the DWTP. The Pacific Sod Farm is located south of the San Benito River approximately ¼ mile west of the DWTP. The San Juan Oaks Golf Club is located off Union Road approximately two miles south of the DWTP. The Brigantino Site is located off the San Juan-Hollister Road near the San Benito River and the City of Hollister Industrial Wastewater Treatment Plant (IWTP). The Brigantino Site is located approximately one mile southeast of the DWTP. **Figure 2** also identifies the location of the San Juan Valley, the proposed recycled water use area for agricultural irrigation in Phase II.

PROJECT BACKGROUND

The City of Hollister recently certified an EIR for the City of Hollister Domestic Wastewater System Improvements and the San Benito County Water District Recycled Water Facility Project. The EIR addressed the construction of improvements to the DWTP, including a Membrane BioReactor (MBR) tertiary treatment facility, septage receiving station, and seasonal storage reservoir. The EIR also addressed effluent disposal, including the interim use of sprayfields, and the eventual use of recycled water for agricultural and urban irrigation. The EIR provided a project-level assessment of sprayfields at the Hollister Municipal Airport and the San Juan Oaks Golf Club, and a program-level assessment of sprayfields at the Pacific Sod Farm and the eastern Flint Hills. In October 2006, the City of Hollister approved the construction of the MBR facility and seasonal storage reservoir at the DWTP. The construction of the DWTP improvements is currently commencing, with operation of the new MBR facility expected to begin in 2008. However, when the City approved the DWTP improvements, it deferred approval of sprayfield development until additional CEQA review was completed for potential sprayfield sites and limited the amount of wastewater to be percolated at the IWTP and DWTP to the quantities currently percolated. Accordingly, the subject EIR will expand the project-specific analysis of sprayfields to include the additional sites identified in Figure 2. The EIR will also address the San Benito County Recycled Water Project (RWP) as presented in the May 2005 Feasibility Study Report on that project. The City has decided that this additional CEQA review is warranted due to changes in the description of the RWP.





PROJECT DESCRIPTION

Phase I - Sprayfields

When the MBR facility comes online in 2008, the facility is expected to produce an average of approximately 3.0 MGD of tertiary treated effluent. With the proposed project, most of the effluent would continue to be disposed of by percolation at the DWTP and IWTP percolation beds and or as seepage from the unlined seasonal storage reservoir on an interim basis. The volume of treated effluent disposed at the DWTP and IWTP would not increase over existing Approximately 2 MGD would be disposed by percolation at the DWTP and approximately 0.67 MGD would be disposed by percolation at the IWTP. The remaining amount, approximately 0.3 MGD, is proposed to be disposed by sprayfields. As the wastewater flows increase, the amount of treated effluent disposed by sprayfields would increase. The amount of treated effluent disposed by sprayfields is expected to peak at approximately 0.74 MGD in 2013. After 2013, it is expected that water quality improvements resulting from implementation of the regional salinity control program, as described in the Hollister Urban Area Water and Wastewater Master Plan, would allow for recycled water irrigation of a wider variety of crops. It should be noted that the environmental impacts from implementation of salinity control measures were addressed in the previous EIR and will not be addressed in the forthcoming EIR. As agricultural use increases in the second phase, the use of sprayfields would be phased out. Exceptions may be made where a sprayfield functions as the irrigation of a park or other public facility.

The sprayfields would consist of networks of pipelines and sprinklers similar to existing agricultural and urban irrigation practices used in the region. Operation of the sprayfields would comply with the California Department of Health Services' (DHS) Title 22 recycled water regulations and the California Regional Water Quality Control Board's (RWQCB) Waste Discharge Requirements and Reclamation Permit conditions. The application rate of recycled water at sprayfields would be determined by the agronomic rates of specific crops (e.g. pasture grasses, turf) to limit runoff. Sprayfields would not be operated during rain events and would be limited during the winter months when crops require less irrigation.

Most of the pipelines necessary for recycled water distribution would be located beneath or along existing roadways and rights-of-way. Pumps and storage tanks for daily operational flexibility may be required at sprayfield locations; however, seasonal storage would be provided at the DWTP and would not be provided at sprayfield sites.

Recycled Water Quality

The new MBR and chlorine disinfection system at the DWTP will produce a high-quality effluent appropriate for reuse when blended with lower TDS water or when demineralized water is included in the City's water system. Effluent from MBR and chlorine disinfection systems meets Title 22 recycled water regulations, which define treatment processes, water quality criteria, and treatment reliability requirements for the public use of recycled water. The MBR and chlorine disinfection facility would produce effluent meeting the category of disinfected tertiary recycled water. Allowable uses for disinfected tertiary recycled water includes, but is not limited to, irrigation of the edible portion of food crops, schoolyards, golf courses and residential landscaping. Effluent from the MBR and chlorine disinfection system would not have an odor or color that would readily distinguish it from other water sources. However, the treated effluent is

projected to have an average salinity level of approximately 1,200 mg/L of TDS through 2013. This salinity level will limit its use for some crops but will be suitable for irrigating a wide variety of grasses.

Phase II – Recycled Water Project

The Phase II Recycled Water Project is dependent on reduced salinity levels in the recycled water supply that would be provided by the provision of demineralization in the City's water system. When the TDS levels of the recycled water supply decrease to 700 mg/L or less, recycled water may be used on higher value crops currently being grown in the region. In Phase II, recycled wastewater from the DWTP would be distributed to agricultural users in the San Juan Valley. Currently, the San Juan Valley is irrigated with a combination of Central Valley Project (CVP) water and groundwater. Distribution to the San Juan Valley would be accommodated in part by connection to the existing CVP pipeline network. Because the City of San Juan Bautista is planning to utilize CVP water as a municipal supply, and because the existing CVP distribution system in the San Juan Valley would carry recycled water, a separate CVP supply pipeline may be required. This pipeline would diverge from the Hollister Conduit upstream of the blend point with the recycled water system so that no recycled water would be conveyed to San Juan Bautista's planned water treatment plant. In 2023, approximately 4,200 AFY of recycled water from the DWTP is projected to be available for distribution. All of this potential recycled water supply could be used in the San Juan Valley. In addition, recycled water may become available from vegetable processors, the San Juan Bautista wastewater treatment plant, the IWP, and other sources.

ENVIRONMENTAL EFFECTS

The City has determined that an EIR is the appropriate environmental document for the project and that the EIR should address the following issues:

- Land Use Consistency and Compatibility The EIR will evaluate the consistency of the proposed project with the adopted plans and policies of the City and San Benito County, including but not limited to the respective General Plans and Zoning Ordinances. The EIR will also analyze the proposed project's compatibility with surrounding land uses.
- *Transportation and Circulation* The EIR will address the potential impacts to surrounding roadways resulting from construction of pipelines and project infrastructure.
- *Air Quality* The EIR will address the project's fugitive dust impacts, as well as regional air pollutant impacts, utilizing the appropriate air quality modeling tools. Potential localized odor impacts will also be addressed. The analysis will address both short-term impacts from construction and long-term impacts from operation.
- Noise/Vibration The EIR will evaluate the potential impacts on ambient noise levels
 from construction-related and operation-related noise. Primary issues include impacts to
 existing noise-sensitive land uses and the creation of land use conflicts regarding noise.
- *Biological Resources* The EIR will analyze the project's short-term (construction) and long-term (operation) on waters of the U.S., threatened and endangered species, and other biological resources.

- *Hazards* The EIR will address the potential public health concerns associated with the use of treated effluent. Potential aviation safety issues associated with the construction and operation of a sprayfield at the Hollister Municipal Airport will also be addressed.
- *Hydrology and Water Quality* The EIR will analyze the project's impacts to groundwater on a local and regional level. Potential impacts to groundwater levels in the project area, potential reduction of groundwater quality due to elevated salinity levels in treated effluent, and changes in local hydrological conditions will be addressed.
- Growth-Inducing, Cumulative, and Short-Term and Long-Term Effects The EIR will analyze growth-inducing and cumulative impacts pursuant to CEQA Guidelines 15126(d) and 15130, respectively. Pursuant to CEQA Guideline 15126.2(a), the EIR will identify direct and indirect significant effects of the project on the environment with consideration given to short-term and long-term effects.

DISCUSSION OF ALTERNATIVES

CEQA Guideline 15126.6(a) requires that an EIR describe a range of reasonable alternatives for the project. The EIR will evaluate the comparative merits of the alternatives, including the No-Project alternative. The alternatives will be determined, in part, by public input received during the NOP comment period. To ensure that the full range of issues and alternatives related to the proposed project are adequately addressed and that all significant issues are identified, comments and suggestions are invited from all interested parties.

RESPONSIBLE AGENCIES

The City anticipates that approvals for the proposed project may be required from the San Benito County Water District, San Benito County, California Regional Water Quality Control Board - Central Coast Region No. 3, Monterey Bay Air Pollution Control District, California Department of Health, California Department of Transportation, California Department of Fish and Game, and other agencies. These agencies will likely rely on this EIR in considering whether to grant approvals.

SCOPING MEETINGS

CEQA Guideline 15082(c)(1) requires that for projects of statewide, regional or area-wide significance that the lead agency conducts a scoping meeting. Accordingly, a scoping meeting will be held at 6:00 p.m. on Thursday, March 15, 2007 to solicit input from interested agencies parties. The meeting will occur at the following location:

Veterans' Memorial Building Room 218 649 San Benito Street Hollister, CA 95023

NOP RESPONSES

Due to the time limits mandated by State law, your response must be sent no later than 30 days after receipt of this notice. Written comments or questions concerning the EIR should be received by 5:00 p.m. on Monday, April 2, 2007. Please address comments or questions to:

City of Hollister c/o: Steve Wittry, Engineering Manager 375 Fifth St. Hollister, California 95023 (831) 636-4340 (831) 636-4349 fax steve.wittry@hollister.ca.gov